Government of Saskatchewan

Annual Report

1989

Saskatchewan Milk Control Board

FIFTY-FIFTH ANNUAL REPORT

FOR THE TWELVE MONTHS

ENDED DECEMBER 31, 1989

90-05613/

SASKATCHEWAN MILK CONTROL BOARD

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SASKATCHEWAN MILK CONTROL BOARD

Honourable Grant Devine
President of the Executive Council
Province of Saskatchewan

Sir:

I have the honour to submit herewith the Fifty-Fifth Annual Report of the Saskatchewan Milk Control Board, together with the financial statements for the year ending December 31, 1989, pursuant to the Provisions of Section 38 of the Milk Control Act.

Respectfully submitted,

THE MILK CONTROL BOARD

S. H. Barber

Stan H. Barber
Chairman

SASKATCHEWAN MILK CONTROL BOARD

BOARD MEMBERS

CHAIRMAN

Mr. Stan Barber, Regina

MEMBERS

Mrs. Henrietta Goplen, Saskatoon

Dr. Eiler Humbert, Saskatoon

Mr. Hans Seitz, Zehner

Mr. Ron Steinley, Rush Lake

OBJECTIVES

The Milk Control Board is a body corporate established pursuant to the Milk Control Act. The Board, which consists of five members appointed by the Lieutenant-Governor-in-Council, is responsible for the administration of the Milk Control Act. The Act empowers the Board to make regulations or orders; inquire into any matter relating to the production, supply and distribution of milk; and conduct hearings in connection with milk price, regulation changes, use of quotas and granting of licenses with restrictions.

The dairy policies are developed to provide efficient milk producers and processors a reasonable return for their labour and investment, and to provide consumers a continuous supply of high quality dairy products at reasonable prices.

The Board has employed six full time staff members to administer Saskatchewan's Milk Control Act.

INTRODUCTION

The Saskatchewan Milk Control Board marked its fifty-fifth anniversary in 1989.

For many Saskatchewan farmers, 1989 was a year of uncertainty and anxiety. The uncertainty began with the weather. While spring looked promising, by summer many regions that had suffered the severe drought of 1988 were again without adequate moisture. While the drought was not as widespread, there have been significant losses due to drought.

The dairy industry in Saskatchewan also had a challenging year during 1989. In addition to the Board's usual ongoing responsibilities for milk pricing, quota management and auditing, the Board addressed other concerns such as preserving the National Milk Marketing Plan. The government of British Columbia threatened to withdraw the province from the National Plan. After more than a year of discussion and negotiation, members of the Canadian Milk Supply Management Committee (C.M.S.M.C.) approved a package of policies which address the many provincial concerns and provide more flexibility to the National Milk Marketing Plan. The following outlines some of the changes:

1. Effective for the 1989-90 dairy year, the fluid milk levy was changed to $1.25 per hectolitre of net skim-off. The amount of skim-off for each province would be calculated annually. This change resulted in a redistribution of current provincial shares of the cost of the levy. It will yield approximately $6.52 million, which will be $1.35 million less than collections under the previous policies of 30 cents per hl. of fluid milk sales.

2. Effective August 1, 1989, increases in Market Share Quota (M.S.Q.) resulting from increases in domestic requirements will be allocated 90 percent pro rata to existing shares and 10 percent in proportion to provincial population. This was a positive change to the previous pro rata allocation policy.

3. A one time increase of 5% to their M.S.Q. was allocated to British Columbia and Nova Scotia in recognition of their large provincial fluid market. Additionally, British Columbia received a further increase of 43,000 kilograms of butterfat for the five year period ending July 31, 1994.

4. All signatories to the Plan agreed not to use the opt-out option for a five year period.

The Uruguay Round of Multilateral Trade Negotiations were of concern to the industry, particularly the General Agreement on Tariffs and Trade (GATT) Panel's decision that Canada's restrictions on the importation of ice cream and yogurt were not justified under Article XI.

The 1990's will be a decade of challenge and change. Flexibility will likely be the key to prosperity as issues like conservation, environmental protection, trade reform and income stability gain new prominence. All sectors of the dairy industry will have to adapt operations to the new order to enhance their chance of survival and prosperity.

MILK PRODUCTION AND UTILIZATION

There are two markets for milk, the fluid market which is used for fluid milk and cream consumption, and industrial milk used in the manufacturing of products such as butter, cheese, yogurt and ice cream. The objective of the Board is to assure these two markets receive an adequate supply of milk and cream to achieve self-sufficiency and to avoid costly surplus production.

The total milk supplies purchased by the Board under the milk pooling system for marketing during 1989 amounted to 220,019,313 kilograms of milk with a total value of $103,819,568. This represents a 3.0 and 0.32 percent decrease respectively over 1988. Increases in production during the early months of the year assisted in achieving more uniform shipments throughout the year.

The average number of milk producers in the province in 1989 was 671, which represented a decrease of sixteen producers, or 2.3 percent. The average daily shipment per producer decreased by 0.4 percent (Table III).

Class I milk, or milk utilized for fluid milk consumption, accounted for 98,217,715 kilograms, a decrease of 2,511,196 kilograms or 2.49 percent compared to 1988.

During 1989, the sale of home-delivered, wholesale and country milk remained relatively constant with that recorded in 1988 (Table V).

In Saskatchewan, milk and cream producers shipped 4,508,474 kilograms of butterfat during the 1988-89 dairy year, representing a provincial

utilization of 102.4 percent of its allocated M.S.Q. The average butterfat test on all milk in 1989 was 3.54 percent per hundred kilograms, while in 1988 the average was 3.56 percent (Table VI).

Cream producers shipped 385,866 kilograms of market share quota, or approximately 8.8 percent of the total M.S.Q. (4,402,000), issued to the province for the 1988-89 dairy year. During the past five dairy years, M.S.Q. allocation for cream producers declined from 754,415 kilograms of butterfat to 370,249, a decline of approximately 49 percent (Table XI).

Provincial subsidy entitlement on Saskatchewan's M.S.Q. for the 1988-89 dairy year totalled $6.86 million, while the levy obligations totalled $3.3 million. Board collections were based on provincial levy rates of $2.91 per hundred kilograms for within-quota shipments and $22.34 per hundred kilograms for overquota milk shipments. After meeting the Board's commitments regarding the payment of levies to the Canadian Dairy Commission, the Board was able to refund approximately $968,600 of overquota levy receipts. Individual milk and cream producers, therefore, received refunds on their overquota production up to and including 3.85 percent of their individual quotas. Any overquota penalties collected on shipments in excess of 103.85 percent were not refunded, but forwarded to the Canadian Dairy Commission.

During the 1988-89 dairy year, a surplus of $22.2 million was accumulated in the Canadian Dairy Commission's inquota levy account for industrial milk. This surplus resulted because of a higher-than-expected world price for fresh skim milk powder and whole milk products. Saskatchewan's share of the surplus totalled $572,898 which allowed a refund of approximately 50 cents per

hundred kilograms of milk on which inquota levy was deducted. In August 1989, the Board allocated all of the province's M.S.Q. to existing milk and cream producers according to the quota policies.

PRODUCER POOLS

At year end, there were 665 licensed milk producers in Saskatchewan compared to 680 producers a year earlier. This reflected a continuation of the trend toward fewer, but larger milk-producing enterprises. All Saskatchewan milk producers participated equitably in the Group I pooling program. As a Group I pool member, each producer received annually a daily quota which was based on production during the six month quota building period (September 1 to February 28).

During 1989, the milk pool purchased approximately $8.65 million of milk each month for a total of $103.8 million for the year. Table VIII outlines the average monthly prices paid to producers for Group I pool milk shipments based on milk testing at 3.5 percent butterfat. The 1989 Group I pool milk accounted for 92 percent of total shipments. This was somewhat higher than 1988 when 88.9 percent of total shipments were sold in the Group I pool. The increase in the Group I pool pay-out resulted from more uniform production levels throughout 1989.

During the past year, the Board's quota policies remained unchanged. Dairy herds (milk or cream) could be sold with the quota being transferred with the herd. A producer who purchased a herd could relocate the herd and receive 80% of the quota.

In this case, a transfer assessment of 20% of the quota is returned to the Board for reallocation to new or existing producers.

Quota that transferred within the immediate family did so without any transfer assessment being applied. Also, when an existing dairy farm was sold as an "ongoing operation", the total quota was transferred to the new owner without any transfer assessment being applied.

All quota transfers are subject to the approval of the Board. The Board continued to maintain a very close scrutiny on herd and quota transfers in an effort to ensure that speculation in quotas was prevented.

The distribution of dairy units and quota allocation is depicted in Table I.

TABLE I

FARM TYPE AND QUOTA - 1988 AND 1989 (AUGUST 1)

	1988		1989	
	Number	Daily Qta. Ave (kgms)	Number	Daily Qta. Ave (kgms)
Single Proprietor	416	739	404	757
Limited Company	58	1,288	54	1,361
Colony	43	1,218	43	1,281
Partnership	170	984	168	1,004
Total	687	876	669	901

In carrying out its authority for fluid milk pricing (Class I), the Board utilized production cost data from the Saskatchewan Dairy Farm Accounting Project. The price of Class I milk was increased on one occasion, January 1, 1989, when an increase of 4 cents per litre was passed on to the consumer. Producers received 2.5 cents per litre of the increase, or an increase of $2.37 per 100 kilograms, while the processing sector received a 1.5 cent per litre increase.

At the federal level, the Industrial Target Returns Formula (Class II and Class III) increased on one occasion during the dairy year under review. The Canadian Government announced an increase in the target return of $0.38 per hundred kilograms on August 1, 1989 and to achieve this, the support price for butter was increased to $5.167 per kilogram, while skim milk powder was set at $3.046 per kilogram. The new target price for industrial milk was set at $47.45 per hectolitre (including subsidy).

TRANSPORTATION

Transporters continued to restructure raw milk pickup to increase efficiency. The average basic transportation rates remained constant during 1989 (Table XII).

The total cost to transport the 220 million kilograms of milk marketed amounted to $4.07 million, or an average cost of $1.85 per 100 kilograms. Under the regulations of the pool, producers were charged haulage to the nearest fluid milk plant. The transportation cost comparison is depicted in Table II.

TABLE II

TRANSPORTATION VOLUMES AND RATES - 1984 TO 1989

YEAR	VOLUME TRANSPORTED (KGMS)	AVERAGE RATE PER 100 KGMS
1989	220,019,313	$ 1.85
1988	226,918,796	1.85
1987	218,010,030	1.85
1986	214,162,415	1.84
1985	203,294,363	1.81
1984	211,189,554	1.78

It is evident from Table II that transportation cost increases during the past five years were significantly below the increase in the consumer price index. Recognition must be given to the fact that improved efficiency and reduced costs could not have been achieved without the co-operation and effort of bulk milk transporters and drivers during the past year.

NATIONAL DAIRY POLICY

At the beginning of the 1988-89 dairy year, Canada's Market Share Quota was set at 47.3 million hectolitres of milk, the same level as the previous dairy year. Total industrial milk production for 1988-89 was 48.8 million hectolitres, which was 2.9 percent above the allocated M.S.Q.

The Canadian Milk Supply Management Committee approved the establishment of a new product program which is to be administered by the

Canadian Dairy Commission. This program provides for an additional supply of milk, up to a maximum of 1 percent of the M.S.Q., to encourage processors and marketers to develop new products which will increase the overall demand for milk.

In July, 1989, the Federal Government established a Dairy Task Force to advise the Minister of Agriculture on issues arising during the balance of the current long-term dairy policy, and identify options for the next long-term dairy policy commencing in 1991.

The Dairy Task Force is chaired by Canadian Dairy Commission Vice-Chairman, Mr. Ken McKinnon, and will have representatives from the Federal Government, the National Dairy Council of Canada and the Consumers' Association of Canada. The issue of pricing has been referred to the Task Force, along with other instruction to examine the following; national self-sufficiency in milk production on a butterfat basis, milk supply management through Market Share Quotas, import controls on dairy products, and Federal Government support for the target price paid to producers. Resolution of the foregoing concerns should provide a continued degree of stability to Canada's dairy industry.

MILK CONTROL BOARD ACTIVITIES

There were no changes in the Board structure in the year under review.

In the past year, the Board held five official meetings. Many additional days of Board members' time were taken up in a number of Advisory or Quota Committee meetings as well as meetings with the local dairy organizations.

The Board Chairman, together with members of the Quota Advisory Committee, attended six meetings of the Canadian Milk Supply Management Committee. The Chairman continued to serve on the Secretariat to the C.M.S.M.C., and also represented Saskatchewan as a member on the Interprovincial Transfer of Market Share Quota Committee. The Committee was created in September, 1989, with the mandate to review the pros and cons of an interprovincial market-oriented quota exchange for industrial milk and cream. The Board gratefully acknowledges the contributions of Committee members, and is indebted to the advice, support and co-operation extended to it by all sectors of the dairy industry.

As we enter the next decade, the dairy industry faces several major challenges. Of greatest importance is the GATT negotiations and how best to revise Article XI. The rules governing world trade are being challenged. There appears to be an increasing acceptance internationally of the need to bring about a more fair and equitable trading environment. We need to assess our industry to make sure that it allows us to manage change in the face of this changing environment.

The Board has every confidence that with the support of its staff and committees, Saskatchewan will be equal to the task in the 1990's.

LEGISLATION

The pricing of milk for fluid purposes is a Board responsibility. The Federal Government has jurisdiction over the industrial milk market, administered through a federal-provincial agreement known as the National Milk Marketing Plan.

The Board was engaged in several meetings with producers and processors to discuss fluid milk price increases. The following is an outline of the Board's decisions for 1989.

In Board Order No. 577, filed and effective January 1, 1989, the price structure was revised in the production, retail and wholesale sectors. These orders increased the consumer's price of milk by $0.04 per litre for retail home delivery. The following were the adjusted price schedules:

Whole Milk.....	$ 3.68 /4 litre pouch pak
.....	$ 1.88 /2 litre container
Partly Skimmed 2%.....	$ 3.60 /4 litre pouch pak
.....	$ 1.84 /2 litre container
Partly Skimmed 1%.....	$ 1.82 /2 litre container
.....	$ .93 /1 litre container
Skim Milk.....	$ 3.40 /4 litre pouch pak
.....	$ 1.74 /2 litre container
Chocolate Drink.....	$ 1.03 /1 litre container
Buttermilk.....	$ .98 /1 litre container
Class I milk.....	$56.24 per 100 kilograms

In Board Order No. 578, effective May 15, 1989, the Board included a container size of 125 ml. to the retail price control.

In Board Order No. 579, filed August 23, 1989 and effective September 1, 1989, the price structure was revised in the producing sector. The adjusted prices for Class II and Class III milk listed below:

Class II milk ..... $41.22 per 100 kilograms
Class III milk ..... $39.47 per 100 kilograms

Butterfat differential $.46 for each one-tenth percent by which the butterfat deviates from the 3.5 percent norm.

In Board Order No. 580, effective September 15, 1989, the Board included fifteen and twenty litre container sizes of 1% milk to the retail price control.

THE MILK CONTROL BOARD

FINANCIAL STATEMENTS

Year Ended December 31, 1989

OFFICE OF THE PROVINCIAL AUDITOR

REGINA, SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of The Milk Control Board as at December 31, 1989 and the statements of revenue, expenditure and operating surplus and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Board as at December 31, 1989 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan
January 26, 1990

G. F. Wendel, C.A.,
A/Provincial Auditor

THE MILK CONTROL BOARD

BALANCE SHEET

As at December 31

	1989	1988
ASSETS		
Current:		
Cash	$ 446,243	$ 445,176
Accounts receivable		
- trade	5,665,556	5,616,330
- other	4,501	4,326
	6,116,300	6,065,832
Fixed:		
Office furniture & equipment (Note 1(c) and 3)	19,313	5,713
	$6,135,613	$6,071,545
LIABILITIES AND SURPLUS		
Current:		
Accounts payable		
- trade	$5,896,147	$5,830,179
- vacation accrual	26,200	17,024
Deferred revenue	5,500	5,500
	5,927,847	5,852,703
Equity:		
Operating surplus (Statement 2)	207,766	218,842
	$6,135,613	$6,071,545

(See accompanying notes to the financial statements)

THE MILK CONTROL BOARD

STATEMENT OF REVENUE, EXPENDITURE AND OPERATING SURPLUS

Year Ended December 31

	1989	1988
Revenue:		
Milk sold to Processors	$103,819,568	$104,151,844
Milk Pool Administration and Assessment fees	488,735	504,841
Interest	95,900	88,902
Milk quality penalties	19,073	14,540
Cost of Production Study grants	22,000	22,000
Licence fees and miscellaneous	199	537
	104,445,475	104,782,664
Expenditure:		
Milk purchased from Producers	103,819,568	104,151,844
Salaries	231,624	207,336
Milk Pool administration expense	157,767	183,489
Cost of Production Study	85,020	95,801
Travel, sustenance and vehicle expense	43,522	73,849
Disposal of unsaleable milk	33,736	17,639
Rent	32,050	31,605
Administrative expense	24,551	21,975
Employee benefits	13,594	13,305
Depreciation	5,819	3,587
Honorarium - Milk Control Board	5,800	7,100
- Advisory Board	3,500	5,000
	104,456,551	104,812,530
Excess of expenditure over revenue	(11,076)	(29,866)
Operating surplus, beginning of year	218,842	248,708
Operating surplus, end of year (Statement 1)	$ 207,766	$ 218,842

(See accompanying notes to the financial statements)

Statement 3

THE MILK CONTROL BOARD

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended December 31

	1989	1988
Cash provided by (used in) operating activities		
Excess of expenditure over revenue	$(11,076)	$(29,866)
Add depreciation not requiring an outlay of cash	5,819	3,587
	(5,257)	(26,279)
Net change in non-cash working capital	25,743	(16,945)
Cash provided by (used in) operating activities	20,486	(43,224)
Cash (used in) investing activities		
Acquisition of fixed assets	(19,419)	(2,363)
Net increase (decrease) in cash during the year	1,067	(45,587)
Cash, beginning of year	445,176	490,763
Cash, end of year	$446,243	$445,176

(See accompanying notes to the financial statements)

THE MILK CONTROL BOARD

NOTES TO FINANCIAL STATEMENTS

December 31, 1989

1. Significant Accounting Policies

These financial statements have been prepared in accordance with accounting policies that are considered appropriate for organizations of this type. The significant accounting policies are as follows:

a) Accrual Accounting

The financial statements are prepared on the accrual basis of accounting.

b) Milk Pool

The Milk Control Board is responsible under the statutes of Saskatchewan for the control and regulation of the marketing of milk in the province. In fulfilling this responsibility, the Board operates a milk pooling system whereby the Board purchases the milk from the producers and sells it to the processors. The value of the milk sold to the processors is determined by its final product use and the prices established by the Board. The purchase price paid by the Board is based upon the value of the milk sold to the processors and upon the quality and quantity of milk shipped by the producers.

c) Fixed Assets

Office furniture and equipment is recorded at cost less accumulated depreciation; maintenance and repairs are charged against operations as incurred.

Equipment is depreciated over its estimated useful life on the straight-line method at 20% per annum.

d) Grant Revenue

The Board receives grants from the Saskatchewan Department of Agriculture and Food to assist in Cost of Production Studies. This assistance is recognized as revenue in the financial statements in a manner directly related to the period for which the funding was provided.

2. Incorporation

The Milk Control Board was established as a body corporate under The Milk Control Act, Chapter 234, Revised Statutes of Saskatchewan, 1965, and is continued under Chapter M-15, Revised Statutes of Saskatchewan, 1978.

The Board has authority to make any regulations or orders in connection with the production, supply, distribution or sale of milk as it may deem necessary.

3. **Fixed Assets**

	Cost	Accumulated Depreciation	1989 Net Book Value	1988 Net Book Value
Office furniture and equipment	$37,303	$17,990	$19,313	$5,713

4. **Related Party Transactions**

a) Grants

In 1989, the Board received $22,000 (1988 - $22,000) from the Department of Agriculture and Food to assist in the costs of the Saskatchewan Dairy Study.

b) Milk Pool Administration Expense

In 1989, the Board was billed $55,882 (1988 - $68,378) by the Department of Agriculture and Food for milk composition analysis and data transfer services.

c) Other

Also included in these financial statements are expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan crown-controlled departments, agencies and corporations with which the Board is related.

Account balances resulting from these transactions are included in the statement of financial position and are settled on normal trade terms.

5. **Comparative Figures**

Certain amounts for the prior year have been reclassified to conform with the 1989 presentation.

TABLE III

TOTAL WHOLE MILK REQUIREMENTS, NUMBER OF MILK PRODUCERS AND AVERAGE DAILY PRODUCTION 1988-89 (KGS)

PERIOD	YEAR	WHOLE MILK REQUIREMENTS	TOTAL PRODUCTION	NUMBER OF PRODUCERS	DAILY AVERAGE PER PRODUCER
January	1988	8,389,863	18,794,599	694	874
	1989	8,561,747	19,036,763	680	903
February	1988	8,318,789	18,248,774	693	908
	1989	7,906,009	17,571,193	678	926
March	1988	9,425,456	19,948,588	693	929
	1989	8,751,580	19,573,096	674	937
April	1988	7,973,014	19,461,062	688	943
	1989	7,838,802	18,781,551	673	930
May	1988	8,486,001	20,077,214	688	941
	1989	8,289,311	19,441,138	672	933
June	1988	8,138,404	19,336,025	687	938
	1989	8,248,329	18,481,984	672	917
July	1988	7,598,348	19,478,521	687	915
	1989	7,199,131	18,386,438	671	884
August	1988	8,150,311	19,272,946	687	905
	1989	8,252,823	18,337,818	669	884
September	1988	8,833,584	18,087,902	686	879
	1989	8,315,859	17,414,263	667	870
October	1988	8,361,987	18,099,050	684	854
	1989	8,566,629	17,650,628	666	855
November	1988	8,464,107	17,500,378	681	857
	1989	8,203,848	17,173,430	666	860
December	1988	8,589,047	18,613,737	680	883
	1989	8,083,647	18,171,011	665	881
TOTALS	1988	100,728,911	226,918,796	687	902
	1989	98,217,715	220,019,313	671	898
% Change		-2.49	-3.04	-2.33	- .44

TABLE IV

COMPARATIVE FIGURES ON KILOGRAMS OF MILK PRODUCTION AND SALES BY CONTROL AREA - 1987-88-89

CONTROL AREAS		1987	1988	1989
REGINA[1/ 3/]	PRODUCTION	39,994,225	39,957,785	37,508,668
	SALES	32,488,770	32,234,052	31,299,445
PRINCE ALBERT	PRODUCTION	7,271,065	7,013,796	6,597,157
	SALES	6,582,503	6,713,137	6,631,045
YORKTON[3/]	PRODUCTION	41,800,251	42,869,466	42,028,373
	SALES	9,186,239	9,021,889	8,918,691
SASKATOON	PRODUCTION	81,053,934	86,431,837	84,431,769
	SALES	32,200,119	31,624,434	31,074,549
SWIFT CURRENT	PRODUCTION	24,065,709	25,775,309	25,268,860
	SALES	4,662,548	4,538,517	4,448,531
BATTLEFORDS	PRODUCTION	10,099,280	10,525,287	10,985,346
	SALES	4,896,687	4,882,231	4,835,187
WEYBURN	PRODUCTION	2,536,854	2,799,354	2,604,506
	SALES	2,481,212	2,460,122	2,358,052
ESTEVAN	PRODUCTION	2,640,131	2,687,195	2,372,993
	SALES	2,147,184	2,132,564	2,041,043
MELFORT	PRODUCTION	4,954,230	5,096,341	4,919,609
	SALES	4,094,818	4,033,179	3,815,626
LLOYDMINSTER[2/]	PRODUCTION	3,594,351	3,762,426	3,302,032
	SALES	3,048,814	3,088,786	2,795,546
TOTALS	**PRODUCTION**	**218,010,030**	**226,918,796**	**220,019,313**
	SALES	**101,788,894**	**100,728,911**	**98,217,715**

1/ Includes the control area of Moose Jaw.

2/ Lloydminster is not a controlled area but is under the Saskatchewan Fluid Milk Pool.

3/ The sales and production for the control area of Melville are included in Regina and Yorkton.

TABLE V

COMPARATIVE SALES BY LITRES OF MILK AND CREAM PRODUCTS IN CONTROL AREAS - 1988-89

PRODUCTS	YEAR	RETAIL SALES (HOME DELIVERY)	WHOLESALE SALES	COUNTRY SALES	TOTAL SALES	%
Whole Milk	1988	2,420,623	10,356,248	7,658,545	20,435,416	20.8
	1989	2,260,207	9,320,144	6,796,689	18,377,040	19.2
Partly Skimmed 2%	1988	7,806,198	35,064,159	21,994,803	64,865,160	66.0
	1989	7,132,594	30,165,079	19,356,486	56,654,159	59.2
Partly Skimmed 1%	1988	-----	3	45,340	45,343	.1
	1989	812,512	5,299,619	2,829,478	8,941,609	9.3
Skimmed	1988	1,075,833	4,393,811	1,913,813	7,383,457	7.5
	1989	1,005,013	3,896,002	1,636,240	6,537,255	6.8
Chocolate	1988	194,070	3,072,574	1,575,434	4,842,078	4.9
	1989	209,428	2,883,783	1,527,240	4,620,451	4.8
Buttermilk	1988	40,116	445,891	250,166	736,173	.7
	1989	39,444	435,247	241,384	716,075	.7
TOTAL MILK SALES	1988	11,536,840	53,332,686	33,438,101	98,307,627	100.0
	1989	11,459,198	51,999,874	32,387,517	95,846,589	100.0
10% CREAM	1988	111,230	1,365,565	486,153	1,962,948	
	1989	114,928	1,340,546	472,495	1,927,969	
18% CREAM	1988	----	3,300	----	3,300	
	1989	690	15,868	146	16,704	
32% CREAM	1988	13,476	508,639	245,971	768,086	
	1989	20,615	494,055	243,154	757,824	

TOTAL MILK SALES BY DISTRIBUTION OUTLET 1988 - 89

	1988	%	1989	%
Retail Sales (Home Delivery)	11,536,840	11.7	11,459,198	12.0
Wholesale Sales	53,332,686	54.3	51,999,874	54.2
Country Sales	33,438,101	34.0	32,387,517	33.8
TOTAL SALES	98,307,627	100.0	95,846,589	100.0

TABLE VI

MARKET SHARE QUOTA UTILIZATION BY DAIRY YEAR

MONTH	YEAR	INDUSTRIAL MILK [1] AVERAGE TEST	INDUSTRIAL MILK KILOGRAMS MILK	INDUSTRIAL MILK KILOGRAMS BUTTERFAT	INDUSTRIAL CREAM KILOGRAMS BUTTERFAT	TOTAL KILOGRAMS BUTTERFAT
August	1987	3.50	10,127,029	354,446	57,420	411,866
	1988	3.47	10,535,562	365,584	50,703	416,287
September	1987	3.63	7,993,058	290,148	46,993	337,141
	1988	3.58	8,635,587	309,154	42,186	351,340
October	1987	3.73	7,594,799	283,286	39,589	322,875
	1988	3.69	9,018,970	332,800	31,171	363,971
November	1987	3.71	8,213,099	304,706	29,642	334,348
	1988	3.65	8,416,384	307,198	27,384	334,582
December	1987	3.64	8,997,527	327,510	28,835	356,345
	1988	3.57	9,460,028	337,723	24,660	362,383
January	1988	3.59	9,853,008	353,723	28,808	382,531
	1989	3.53	9,781,473	345,286	25,318	370,604
February	1988	3.56	9,395,787	334,490	30,090	364,580
	1989	3.51	9,115,385	319,950	25,014	344,964
March	1988	3.55	9,967,944	353,862	37,006	390,868
	1989	3.56	10,237,051	364,439	31,325	395,764
April	1988	3.55	10,939,577	388,355	37,820	426,175
	1989	3.55	10,398,423	369,144	29,797	398,941
May	1988	3.49	11,030,086	384,950	40,729	425,679
	1989	3.50	10,636,429	372,275	35,575	407,850
June	1988	3.37	10,663,739	359,368	43,760	403,128
	1989	3.42	9,729,883	332,762	37,182	369,944
July	1988	3.40	11,412,000	388,008	33,729	421,737
	1989	3.42	10,710,322	366,293	25,551	391,844
TOTALS	1987/88	3.56	116,187,653	4,122,852	454,421	4,577,273 [2]
	1988/89	3.54	116,675,497	4,122,608	385,866	4,508,474 [2]

[1] Includes all milk utilized for industrial purposes.

[2] Market Share Quota allocated to Saskatchewan for each of the past two dairy years was 4,402,000 kilograms of butterfat.

TABLE VII

SALES OF MILK AND CREAM PRODUCTS IN LITRES IN CONTROL AREAS - 1988 - 1989

	YEAR	WHOLE MILK	2% PARTLY SKIM MILK	1% PARTLY SKIM MILK	SKIM MILK	CHOCOLATE MILK	BUTTER MILK	10% CREAM	18% CREAM	32% CREAM	TOTAL LITRES
REGINA[1/ 3/]	1988	6,471,034	20,501,709	----	2,647,689	1,612,706	232,508	738,413	1,110	222,546	32,427,715
	1989	5,777,843	17,733,543	2,962,312	2,328,799	1,525,127	221,686	710,922	8,478	216,729	31,485,439
% CHANGE		-10.71	-13.50	----	-12.04	- 5.43	- 4.65	- 3.72	.	- 2.61	- 2.91
PRINCE ALBERT	1988	1,542,038	4,295,038	----	320,187	350,054	47,128	78,047	----	44,959	6,677,451
	1989	1,395,968	3,858,840	536,066	283,799	354,345	46,166	76,846	----	43,721	6,595,751
% CHANGE		- 9.47	-10.16	----	-11.36	+ 1.23	- 2.04	- 1.54	----	- 2.75	- 1.22
YORKTON[3/]	1988	2,217,910	5,546,146	25,486	582,854	343,342	80,288	204,574	----	95,623	9,096,223
	1989	2,000,162	4,996,209	767,112	512,091	339,143	80,615	202,952	----	100,688	8,998,972
% CHANGE		- 9.82	- 9.92	.	-12.14	- 1.22	+ .41	- .79	----	+ 5.30	- 1.07
SASKATOON	1988	5,869,236	20,782,521	----	2,529,724	1,438,830	235,776	698,499	2,190	259,577	31,816,353
	1989	5,344,060	18,016,255	3,039,735	2,314,803	1,370,744	229,744	706,243	8,226	256,058	31,285,868
% CHANGE		- 8.95	-13.31	----	- 8.50	4.73	- 2.56	+ 1.11	.	- 1.36	- 1.67
SWIFT CURRENT	1988	880,840	2,954,710	----	361,925	188,900	40,103	59,130	----	35,547	4,521,155
	1989	781,136	2,576,794	456,956	305,397	180,478	37,509	58,963	----	35,304	4,432,537
% CHANGE		-11.32	-12.79	----	-15.62	- 4.46	- 6.47	- .28	----	- .68	- 1.96
BATTLEFORDS	1988	1,157,201	3,125,174	----	224,119	227,819	29,822	54,152	----	31,309	4,849,596
	1989	1,070,722	2,899,492	290,254	203,282	223,695	30,601	51,291	----	30,997	4,800,334
% CHANGE		- 7.47	- 7.22	----	- 9.30	- 1.81	+ 2.61	- 5.28	----	- .99	- 1.02
WEYBURN	1988	473,441	1,582,267	1	175,565	156,960	16,621	33,140	----	13,160	2,450,155
	1989	419,446	1,370,471	209,263	148,393	140,438	16,084	30,994	----	12,626	2,347,715
% CHANGE		-11.40	-13.39	.	-15.48	-10.53	- 3.23	- 6.48	----	- 4.06	- 4.18
ESTEVAN	1988	452,553	1,384,480	----	119,956	116,477	9,252	19,433	----	10,439	2,112,590
	1989	385,070	1,218,635	145,251	125,567	110,020	8,648	18,770	----	9,956	2,021,917
% CHANGE		-14.91	-11.98	----	+ 4.68	- 5.54	- 6.53	- 3.41	----	- 4.63	- 4.29
MELFORT	1988	893,516	2,613,267	2	185,667	212,842	32,839	47,285	----	37,070	4,022,488
	1989	783,744	2,231,394	340,831	142,735	192,733	33,106	42,942	----	34,531	3,802,016
% CHANGE		-12.29	-14.61	.	-23.12	- 9.45	+ .81	- 9.18	----	- 6.85	- 5.48
LLOYDMINSTER[2/]	1988	477,647	2,079,848	19,854	235,771	194,148	11,836	31,275	----	17,856	3,068,235
	1989	418,889	1,752,526	193,829	172,389	183,728	11,916	28,046	----	17,214	2,778,537
% CHANGE		-12.30	-15.74	.	-26.88	- 5.37	+ .68	-10.32	----	- 3.60	- 9.44
TOTALS	1988	20,435,416	64,865,160	----	7,383,457	4,842,078	736,173	1,962,948	3,300	768,086	101,041,961
	1989	18,377,040	56,654,159	8,941,609	6,537,255	4,620,451	716,075	1,927,969	16,704	757,824	98,549,086
% CHANGE		-10.07	-12.66	.	-11.46	- 4.58	- 2.73	- 1.78	.	- 1.34	- 2.47

1/ INCLUDES THE CONTROL AREA OF MOOSE JAW
2/ LLOYDMINSTER IS NOT A CONTROLLED AREA BUT IS UNDER THE SASKATCHEWAN FLUID MILK POOL.
3/ THE SALES AND PRODUCTION FOR THE CONTROL AREA OF MELVILLE ARE INCLUDED IN REGINA AND YORKTON.

TABLE VIII

THE AVERAGE MONTHLY MILK POOL PRICE - 1988-89 [1]
(PER HUNDRED KILOGRAMS OF 3.5% BUTTERFAT)

	GROUP I POOL			GROUP II POOL		
MONTH	1988	1989	% CHANGE	1988	1989	% CHANGE
January	$47.18	$49.04	+ 3.9	$41.09	$42.29	+ 2.9
February	47.56	49.06	+ 3.2	41.28	42.25	+ 2.3
March	48.04	49.09	+ 2.2	41.47	42.29	+ 2.0
April	47.27	48.65	+ 2.9	41.42	42.31	+ 2.1
May	47.39	48.73	+ 2.8	41.32	42.24	+ 2.2
June	47.26	48.94	+ 3.6	41.10	42.12	+ 2.5
July	46.67	48.02	+ 2.9	41.16	42.00	+ 2.0
August	47.46	48.69	+ 2.6	42.09	41.94	- 0.4
September	48.19	49.19	+ 2.1	42.21	42.41	+ 0.5
October	47.90	49.26	+ 2.8	42.44	42.61	+ 0.4
November	48.10	49.10	+ 2.1	42.35	42.55	+ 0.5
December	47.81	48.77	+ 2.0	42.24	42.48	+ 0.6
YEARLY AVERAGE	47.57	48.88	+ 2.8	41.68	42.29	+ 1.5

[1] Price includes subsidies less inquota levies and skim off levy.

August to December, 1988 pool rates have changed due to within-quota levy refund by the Canadian Dairy Commission.

TABLE IX

SALES OF FLUID MILK IN LITRES IN CONTROL AREAS - 1988-89 (WHOLE MILK, PARTLY SKIMMED 2% & 1%, SKIM, CHOCOLATE, BUTTERMILK)

	YEAR	1/ 3/ REGINA	PRINCE ALBERT	3/ YORKTON	SASKATOON	SWIFT CURRENT	BATTLE-FORDS	WEYBURN	ESTEVAN	MELFORT	LLOYD-2/ MINSTER	TOTALS
JAN	1988	2,677,943	522,513	714,722	2,620,312	348,025	373,831	192,393	177,469	315,646	244,212	8,187,066
	1989	2,618,462	554,433	748,559	2,697,503	369,979	401,624	200,432	175,148	332,043	257,085	8,355,268
% CHANGE		- 2.22	+ 6.11	+ 4.73	+ 2.95	+ 6.31	+ 7.43	+ 4.18	- 1.31	+ 5.19	+ 5.27	+ 2.05
FEB	1988	2,610,407	529,480	706,551	2,615,072	353,447	375,681	195,400	169,329	318,826	245,319	8,119,512
	1989	2,504,387	507,917	677,728	2,453,552	338,318	371,641	180,472	162,352	291,785	227,031	7,715,183
% CHANGE		- 4.06	- 4.07	- 4.08	- 6.18	- 4.28	- 1.07	- 7.64	- 4.12	- 8.48	- 7.45	- 4.98
MAR	1988	2,971,330	591,634	825,134	2,899,586	416,660	440,271	220,767	194,134	365,444	274,471	9,199,431
	1989	2,717,972	567,785	767,708	2,724,044	379,379	413,004	201,545	182,316	332,361	253,365	8,539,479
% CHANGE		- 8.53	- 4.03	- 6.96	- 6.05	- 8.95	- 6.19	- 8.71	- 6.09	- 9.05	- 7.69	- 7.17
APR	1988	2,518,657	502,527	692,251	2,468,718	345,481	359,703	184,382	168,860	306,300	232,875	7,779,754
	1989	2,491,606	495,873	686,838	2,413,924	345,411	360,617	179,484	161,672	296,507	216,519	7,648,451
% CHANGE		- 1.07	- 1.32	- .78	- 2.22	- .02	+ .25	- 2.66	- 4.26	- 3.20	- 7.02	- 1.69
MAY	1988	2,642,818	551,868	751,255	2,568,705	381,152	409,247	209,297	172,175	339,091	255,385	8,280,993
	1989	2,561,614	547,889	740,857	2,530,692	376,775	401,357	201,655	168,482	321,004	237,017	8,087,342
% CHANGE		- 3.07	- .72	- 1.38	- 1.48	- 1.15	- 1.93	- 3.65	- 2.14	- 5.33	- 7.19	- 2.34
JUN	1988	2,506,277	560,235	722,507	2,447,993	365,429	399,723	198,746	168,480	324,202	248,437	7,942,029
	1989	2,565,484	553,870	733,327	2,498,875	374,012	414,788	197,294	166,619	313,983	229,485	8,047,737
% CHANGE		+ 2.36	- 2.14	+ 1.50	+ 2.08	+ 2.35	+ 3.77	- .73	- 1.10	- 3.15	- 7.63	+ 1.33
JUL	1988	2,350,933	548,612	677,581	2,241,051	334,990	389,907	200,159	152,216	297,508	224,147	7,417,104
	1989	2,195,198	518,109	665,386	2,166,056	325,705	368,264	180,874	139,680	271,108	196,672	7,027,052
% CHANGE		- 6.62	- 5.56	- 1.80	- 3.35	- 2.77	- 5.55	- 9.63	- 8.24	- 8.87	-12.26	- 5.26
AUG	1988	2,502,018	564,926	736,372	2,413,295	374,883	405,925	208,508	169,541	327,912	252,087	7,955,467
	1989	2,527,953	572,125	748,965	2,492,889	379,310	418,398	201,211	166,661	318,142	229,856	8,055,510
% CHANGE		+ 1.04	+ 1.27	+ 1.85	+ 3.30	+ 1.18	+ 3.07	- 3.50	- 1.70	- 2.98	- 8.82	+ 1.26
SEP	1988	2,756,806	562,707	754,980	2,739,590	392,551	411,281	208,888	178,472	350,095	266,196	8,621,566
	1989	2,610,924	545,397	747,804	2,578,497	364,250	386,691	190,901	170,566	303,430	217,236	8,115,696
% CHANGE		- 5.26	- 3.08	- .95	- 5.88	- 7.21	- 5.98	- 8.61	- 4.43	-13.33	-18.39	- 5.87
OCT	1988	2,626,170	532,386	714,179	2,587,853	365,389	386,570	192,947	174,265	326,199	256,999	8,162,957
	1989	2,661,793	560,268	747,355	2,673,473	379,157	409,458	199,655	167,928	325,719	237,907	8,362,713
% CHANGE		+ 1.36	+ 5.24	+ 4.65	- 3.31	+ 3.77	+ 5.92	+ 3.48	- 3.64	- .15	+ 7.43	+ 2.45
NOV	1988	2,642,447	535,786	740,710	2,624,332	366,898	402,910	192,461	176,122	325,007	255,474	8,262,147
	1989	2,582,849	525,988	695,310	2,589,606	359,097	381,129	184,372	167,018	305,753	216,606	8,007,728
% CHANGE		- 2.26	- 1.83	- 6.13	- 1.32	- 2.13	- 5.41	- 4.20	- 5.17	- 5.92	-15.21	- 3.08
DEC	1988	2,659,840	551,771	759,784	2,629,580	381,573	409,086	200,907	181,655	341,903	263,502	8,379,601
	1989	2,511,068	525,530	735,495	2,496,230	346,877	391,075	186,200	164,749	312,708	214,498	7,884,430
% CHANGE		- 5.59	- 4.76	- 3.20	- 5.07	- 9.09	- 4.40	- 7.32	- 9.31	- 8.54	-18.60	- 5.91
TOTALS	1988	31,465,646	6,554,445	8,796,026	30,856,087	4,426,478	4,764,135	2,404,855	2,082,718	3,938,133	3,019,104	98,307,627
	1989	30,549,310	6,475,184	8,695,332	30,315,341	4,338,270	4,718,046	2,304,095	1,993,191	3,724,543	2,733,277	95,846,589
% CHANGE		- 2.91	- 1.21	- 1.14	- 1.75	- 1.99	- .97	- 4.19	- 4.30	- 5.42	- 9.47	- 2.50

1/ Includes the control area of Moose Jaw.
2/ Lloydminster is not a controlled area but is under the Saskatchewan Fluid Milk Pool.
3/ The sales and production for the control area of Melville are included in Regina and Yorkton.

TABLE X

TOTAL SALES OF MILK & CREAM IN LITRES BY SIZE OF CONTAINERS JANUARY 1, 1989 - DECEMBER 31, 1989

SIZE OF CONTAINERS	YEAR	FLUID MILK PRODUCTS	% OF TOTAL	CREAM	% OF TOTAL	TOTAL ALL PRODUCTS	% OF TOTAL
20 LITRES	1988	2,353,180	2.39	----	----	2,353,180	2.33
	1989	2,102,320	2.20	----	----	2,102,320	2.13
15 LITRES	1988	1,178,835	1.20	31,200	1.14	1,210,035	1.20
	1989	1,091,505	1.14	22,935	.85	1,114,440	1.13
10 LITRES	1988	1,600	----	15,530	.57	17,130	.02
	1989	2,450	----	21,530	.80	23,980	.03
4 LITRES	1988	3,979,888	4.05	----	----	3,979,888	3.94
	1989	3,621,492	3.78	----	----	3,621,492	3.67
2 LITRES	1988	77,577,686	78.91	----	----	77,577,686	76.78
	1989	76,078,052	79.37	----	----	76,078,052	77.20
1 LITRE	1988	9,614,202	9.78	412,753	15.10	10,026,955	9.92
	1989	9,282,946	9.69	425,924	15.76	9,708,870	9.85
500 ML.	1988	1,470,376	1.50	1,491,569	54.55	2,961,945	2.93
	1989	1,497,028	1.56	1,438,767	53.24	2,935,795	2.98
250 ML.	1988	2,131,860	2.17	327,388	11.97	2,459,248	2.43
	1989	2,099,210	2.19	302,884	11.20	2,402,094	2.44
125 ML.	1988	----	---	----	---	----	---
	1989	70,404	.07			70,404	.07
CREAMETTES	1988	----	----	455,894	16.67	455,894	.45
	1989	1,182	----	490,457	18.15	491,639	.50
TOTALS	1988	98,307,627	100.00	2,734,334	100.00	101,041,961	100.00
	1989	95,846,589	100.00	2,702,497	100.00	98,549,086	100.00

TABLE XI

CREAM PRODUCER PROFILE BY DAIRY YEAR

DAIRY YEAR	KGMS QUOTA	% CHANGE	# OF PRODUCERS	% CHANGE	AVE. QUOTA PER PRODUCER
1985-86	754,415	- 7.52	1,771	- 12.41	426
1986-87	597,470	- 20.80	1,459	- 17.62	410
1987-88	480,092	- 16.76	1,139	- 21.93	422
1988-89	440,714	- 8.20	984	- 13.61	448
1989-90	370,249	- 15.99	853	- 13.31	434

TABLE XII

SCHEDULE OF BASIC TRANSPORTATION CHARGES BASED ON PRODUCER MONTHLY PRODUCTION

KGS. PRODUCED MONTHLY	PRODUCER BASIC RATE 1989 [1/]
Min. Charge - 9,000	$1.302
9,001 - 13,600	1.275
13,601 - 18,100	1.249
18,101 - 22,600	1.209
22,601 - 27,200	1.195
27,201 - 31,700	1.182
31,701 - 36,200	1.169
36,201 - 40,800	1.156
40,801 - 45,300	1.142
45,301 - 49,900	1.129
49,901 - 54,400	1.117
54,401 - 58,900	1.102
58,901 - 63,500	1.089
63,501 - 68,000	1.076
68,001 - 72,600	1.062
72,601 - 77,100	1.050
77,101 - 81,600	1.036
81,601 - 86,200	1.009
86,201 - and over	1.009

Distance to be based on the air kilometres between the producer and the nearest processor.

[1/] A kilometre rate of 1.27¢ (.0127) per kilometre per 100 kilograms.